

A photograph of a diverse group of people, likely from a developing region, with their hands raised in a crowd. The image is the background for the entire page. The text is overlaid on the image.

COMMUNICATION ON ENGAGEMENT (COE)

BoP Innovation Centre
Utrecht, The Netherlands

PERIOD COVERED

From: January 2015

To: December 2015



BoP
INNOVATION
CENTER

0. STATEMENT OF CONTINUED SUPPORT



June 7, 2016

To our stakeholders:

I am pleased to confirm that the BoP Innovation Centre reaffirms its support to the United Nations Global Compact and its mission of promoting corporate sustainability.

In this Communication on Engagement, we describe some of the many actions we have undertaken in 2015, that relate to the principles of Global compact. We would like to express our continuous support with the Global Compact and its principles and to engage with the initiative.

In line with Global Compact, our strategy 2020 is directly linked to the SDGs. We focus on SDG 2 (food), 6 (water) and 7 (energy), and through our initiatives we support and promote SDG 1 (hunger), 3 (health) and 5 (gender equality).

Overall, we will continue to promote the Inclusive Business approach in low income countries, as a mainstream practice amongst larger companies and MNEs. With some of the members of the Global Compact Netherlands Network, we already have collaborations going. We aim to further engage with the Netherlands network, particularly in the field of capacity development and contribute to Global Compact NL network exchanges of practices.

Of course, we are more than willing to share this information with our stakeholders, using our primary channels of communication.

Sincerely yours,

A handwritten signature in blue ink that reads "Henk van Duijn".

Henk van Duijn
CEO BoPInc

1. About us: BoP Innovation Center

BoP Innovation Center provides services and tools to develop inclusive businesses in the 'Base of the Pyramid' (BoP). The BoP is a demographic term that covers the approximately 4.5 billion people who have to live on less than US \$ 8 per day. Inclusive business refers to commercially and socially viable business models which include the people in the BoP as consumers, producers and entrepreneurs in the supply chain. Our mission is to develop and support new business activities with entrepreneurs and companies that aim to deliver value to and with communities in the BoP.

Our services are based on three pillars of expertise:

- Marketing & Distribution: we offer marketing & distribution solutions to corporates, small and medium enterprises (SMEs) and start-ups that want to develop inclusive business.
- Inclusive Innovation: we develop and explore innovations which are feasible and desirable for BoP markets.
- Inclusive Business Empowerment: we advocate for inclusive business, build knowledge, create partnerships and capacitate professionals who are involved in the market for inclusive business services.

2. Our work and the Global Compact principles

BoPInc's work is two-fold: we provide direct business services to companies, and we engage in capacity development of relevant stakeholders. Our purpose is to boost "Inclusive Business" (IB) as a mainstream business practice, pushing to accelerate impactful business in low income markets.

IB is generally, a broadly used term. We engage in initiatives that:

- have a clear market based approach and targeting low-income markets
- focus on innovative products and approaches.
- focus on products, services and value chains that have high potential for socio-economic impact for low income people.
- Stimulate co-creation as part of the approach, seeking to include local capacity and -resources

In general, the work of BoPInc, and its deliveries to companies and other IB stakeholders, seem closest related to the following Global compact principles

Principle 6: the elimination of discrimination in respect of employment and occupation.

Principle 9: encourage the development and diffusion of environmentally friendly technologies

3. Concrete actions in support of the GC principles

Actions and activities of BoPInc that support the above two GC principles, are many. Below some five concrete examples of actions, explaining how BoPInc has delivering related work.

3.1 Develop tools, organize training in favour of sustainable IB development

In the context of our Inclusive Business Accelerator (iba.ventures), we started to develop a ‘one-stop-shop’ connecting entrepreneurs to investors and advisory services (see also our annual report 2015).. To boost the capacity of mainstream local business service deliveries into the specialized field of IB, we developed two pretentious toolkits in 2015:

The Inclusive Business Toolkit, based on the ‘Business Model Canvas’ tool, a well-established tool for business consultants. The focus on inclusiveness sets the Inclusive Business Toolkit apart from mainstream business development tools. It supports local consultants in their work with entrepreneurs and SMEs in developing countries to strengthen their business models and have more and better impact on the BOP.

The Inclusive Innovation Toolkit is unique in its kind. It provides state-of-the art tools to be used by consultants in guiding companies looking to innovate and introduce innovative products in the BoP. The toolkit supports the implementation of such challenging process, from A to Z.

We have delivered a 3-day trainings on tool use to 40 local consultants in the field, and given the rewarding feedback, many more will follow in 2016. By strengthening the consultants capacity, they will function as an amplifier for the inclusive business approach, passing on the skills and knowledge to entrepreneurs and companies to build more “inclusive” business models.

3.2 Support local businesses and other stakeholders in sustainability initiatives, transparent and beneficial to low-income communities

Through our Proofs Program in Bangladesh (<http://www.bopinc.org/our-projects/our-projects/proofs>) we engaged in the development of a Cold potato storage (see also our annual report 2015). The BoP Innovation Center prototyped a potato cold store for smallholder farmers in Bangladesh. The need is indisputable: the **post-**

harvest loss of potatoes is up to 25-30%, predominantly due to the lack of capacity for cold storage. A focus point was the appropriate scale for cold storage.

Most of the large facilities are designed for bulk storage. However, in Bangladesh smallholder potato farmers transport and store their produce in sacks for several reasons. In order to facilitate this, we found a solution for sack storage, based on green technology along with a solid cooperative business model. In 2016, we will pitch this to our clients in Bangladesh and without a doubt the most important proposition that we will make them is that they do not have to change the way how they do business; instead, BoP Innovation Center has adapted the technology to their context.

3.3 Co-created, online and free bootcamps targeting and motivating companies around the world, to engage in Inclusive Business

BoP Innovation Center widely boosts capacity of entrepreneurs and anyone who might be interested in inclusive business via a smart online approach, broadcasting through IBA (iba.ventures). We do not do this alone, but in co-creation with larger companies and institutes with in-depth knowledge and experience on a particular bootcamp topics. This way these online bootcamps, are presented by leading experts from the world of business and academia. In 2015 we organized boot camps about 'marketing & distribution in the BoP', 'improving sales through (impact) data' and 'pitching your inclusive business', reaching a total of 500 participants. We encouraged staff of Global Compact members to participate.

3.4 Access to nutritional products and stable incomes for the BOP

Within the framework of the 2SCALE program (2scale.org) we have worked extensively with the Ethiopian food processor Guts Agro. We developed a value proposition and introduced a brand new product in Ethiopia for them, called Supermom. This is a highly nutritious blend of maize and soybeans, developed for low-income consumers, especially for young children and expectant or breastfeeding mothers.

In addition, BoP Innovation Center developed an innovative micro-franchise distribution model for Supermom: Likie. This new model increases access to nutritious foods for low-income consumers by enabling female entrepreneurs to own and operate a profitable business by selling Supermom and other nutritious products. The Likie distribution model will create employment and increase opportunities for small entrepreneurs and unemployed women in Ethiopia. This new distribution model started as a pilot in September 2015, and within two months the 'Likie' sales ladies managed to reach 33,000 households, with sales increasing significantly. After this pilot and its success the distribution model has been expanded to three additional regions in Ethiopia.

3.5 PPP for improved access to water and sanitation through new technology

Within the framework of the public-private partnership AIAS in Mozambique (<http://www.bopinc.org/our-projects/our-projects/innovative-business-models-for-scaling-water-sanitation>), BoP Innovation Center is supporting a local water asset manager to improve access to water and sanitation services. In 2015, we initiated a partnership with a Dutch enterprise and a Mozambican water distributor to create a mobile app for reading and processing data from water meters. This low-cost technology will contribute to business process improvements including billing and customer care. Expected reach will be 15 towns, with over 700.000 population.

To this report we have attached an infographic as well as an annual report 2015, which elaborates the outcomes and results of all activities BoPInc has been engaged in 2105.